2025 MID-YEAR SALES REPORT

B R O O K L Y N

515
TRADES

$2.06 B
VOLUME

$4 M
AVG DEAL PRICE

RMF

CURRENT TRENDS AND OPPORTUNITIES IN INVESTMENT SALES

By Marco Lala, Managing Director, Alfonso Holloman, Associate Broker, Michelle Lala, Real Estate Salesperson, and David Raciti, Associate Broker at RM Friedland

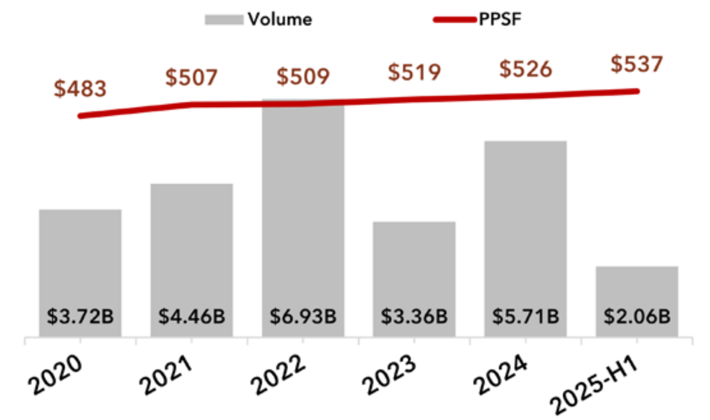
MARKET PULSE: GENERAL TRENDS

Brooklyn's investment environment has taken on a more cautious tone in 2025. While interest remains steady across asset classes, investors are being far more selective. Industrial and retail sectors have seen reduced activity, with many buyers reassessing risk and rent growth assumptions. In contrast, demand for multifamily and mixed-use remains relatively resilient, particularly where long-term fundamentals are intact. Investor focus continues to shift toward properties that reflect adjusted pricing and offer stability or strategic upside.

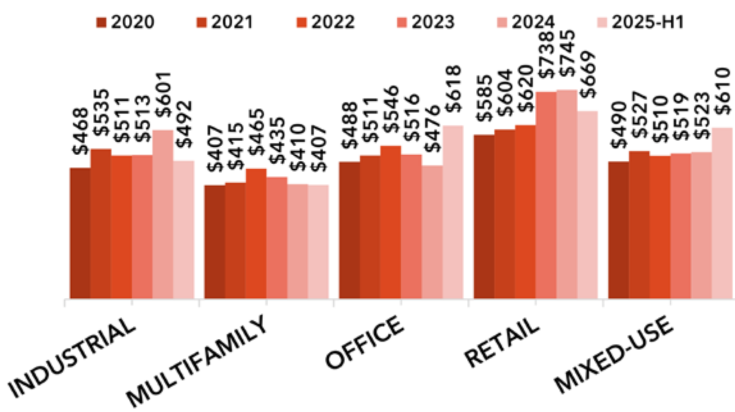
FINANCING LANDSCAPE & DEAL FLOW IMPACT

Financing remains a challenge across property types. Lenders are imposing tighter underwriting criteria, with lower leverage, more thorough review of rent rolls and DHCRs, and stricter closing conditions. Rent-stabilized assets remain the most difficult to finance, though buyer-seller alignment has improved slightly. Some buyers are being forced to contribute more equity mid-process due to loan repricing, slowing deal timelines and increasing reliance on seller financing or all-cash terms. Mixed-use and small office properties with reliable tenancy continue to receive stronger lender interest.

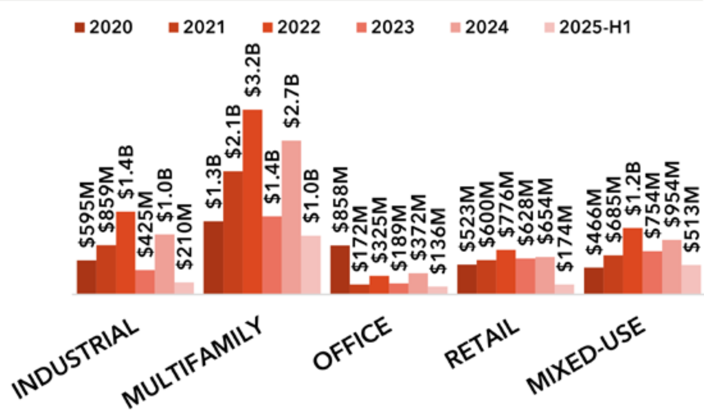
AVERAGE PPSF & TOTAL VOLUME [1,2]



MARKET SEGMENTS: AVERAGE PPSF [1]



MARKET SEGMENTS: VOLUME [1]



1) Brooklyn Investment/Building Sales
2) Data Excludes Known Development Sites & Specialty Use Properties

CURRENT TRENDS AND OPPORTUNITIES IN INVESTMENT SALES

HEADWINDS & CHALLENGES

Landlords across Brooklyn are contending with a combination of rising insurance premiums, property taxes, and operating costs. Legal limits on rent increases, tenant nonpayment, and continued court backlog further complicate operations. Rent-stabilized properties face heightened compliance and valuation pressure, while even free-market units are increasingly affected by new regulations. In the industrial market, capital expenditure needs and leasing uncertainty have cooled investor appetite. Office remains bifurcated, with a narrow segment of well-located assets drawing attention, while others struggle to gain traction.

RISK, OPPORTUNITY & STRATEGIC POSITIONING

Uncertainty around future regulation and political leadership has created hesitation among some investors. Nonetheless, experienced owners and operators are adapting strategies to consolidate, reposition, or selectively acquire properties. Capital remains focused on stable, well-located assets that can weather volatility and offer upside over time. Those who maintain discipline and patience are positioning themselves to benefit from future recovery phases.

ON THE GROUND

Our team has worked across several property types this year, helping navigate financing delays, due diligence surprises, and shifting buyer expectations. In one case, we restructured a stalled industrial deal by shifting the strategy from investor-driven to end-user focused, ultimately resulting in a successful close. In another, a multifamily deal requiring remediation of regulatory and insurance complications closed under a compressed timeline. The market requires more effort and creativity, but well-prepared sellers and serious buyers are still finding ways to transact.

2025 MID-YEAR MARKET SALES REPORT

1

395 LEONARD ST | MULTIFAMILY

January 15, 2025

Price:	$127,500,000	**Size:**	186,779 SF | 188 units
PPU:	$678,191	**Buyer:**	Pacific Urban Investors

Located in Williamsburg, this 188-unit property known as Leonard Pointe was originally purchased by UDR in 2019 for $130.4 million. It was sold in January 2025 to Pacific Urban Investors at a modest loss.

2

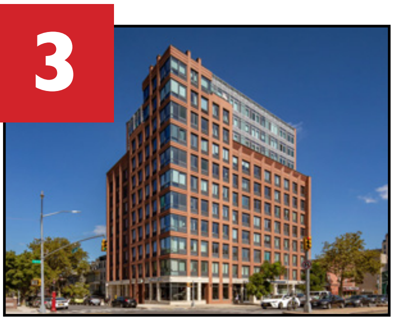
2864 ATLANTIC AVE | MULTIFAMILY

May 20, 2025

Price:	$68,800,000	**Size:**	154,888 SF | 184 units
PPU:	$373,913	**Buyer:**	The Institute for Community Living (with post-sale financing from Camber)

This newly constructed affordable housing project in East New York was transferred to The Institute for Community Living in what appears to be a mission-driven transaction. A $94.3 million mortgage with Camber was recorded post-sale, suggesting an ongoing development or subsidy structure.

3



237 11th ST | INDUSTRIAL

March 14, 2025

Price:	$68,800,000	**Size:**	92,722 SF Building | 107 Units
PPSF:	$640,186	**Buyer:**	Shel Capital & Bluestone Investments

This newer Gowanus rental building was originally acquired by Trinity Place Holdings in 2018 for $81.2 million. It sold in March 2025 at a discount to a joint venture led by Shel Capital and Bluestone Investments, which expressed confidence in the long-term New York rental market.

4

33 REMSEN AVE | INDUSTRIAL

March 26, 2025

Price:	$50,000,000	**Size:**	111,391 SF
PPSF:	$449	**Buyer:**	The Carlyle Group

The Carlyle Group acquired this East Flatbush warehouse as part of a larger self-storage investment strategy. This purchase followed two other warehouse acquisitions in Elmhurst and Inwood for a combined $68 million.

5

202 8th ST | MULTIFAMILY

April 15, 2025

Price:	$32,100,000	**Size:**	56,868 SF | 51 Units
PPU:	$629,411	**Buyer:**	The Carlyle Group & Z+G Property Group

Originally purchased in 2013 for $37.75 million, this Gowanus property changed hands in April 2025 at a discount. The Carlyle Group and Z+G Property Group continue to expand their residential holdings in Brooklyn through strategic acquisitions.

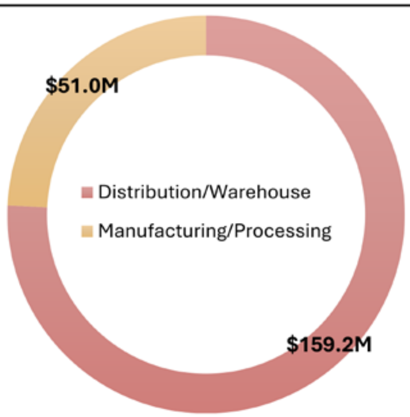
DATA POINTS

2025-H1 SUMMARY

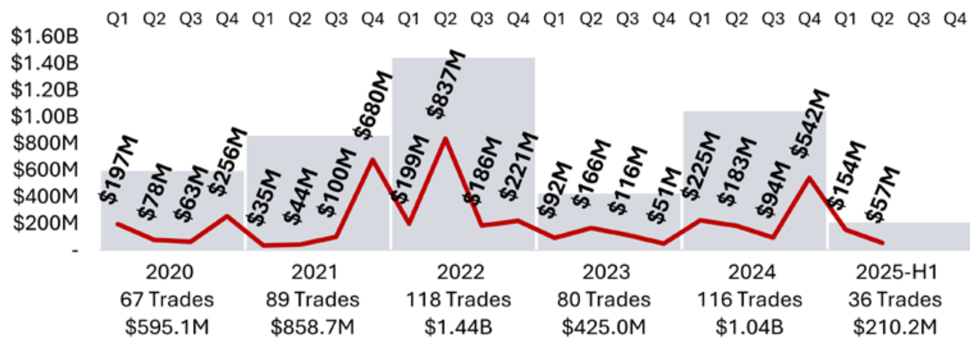
		Δ
Total Volume	$210M	↓ 48%
Velocity	36 Trades	↓ 39%
Avg. Deal Price	$5.8M	↓ 16%
Avg. Price / SF	$492	↓ 9.5%

Compared to 2024 H1

VOLUME BY TYPE: 2025-H1

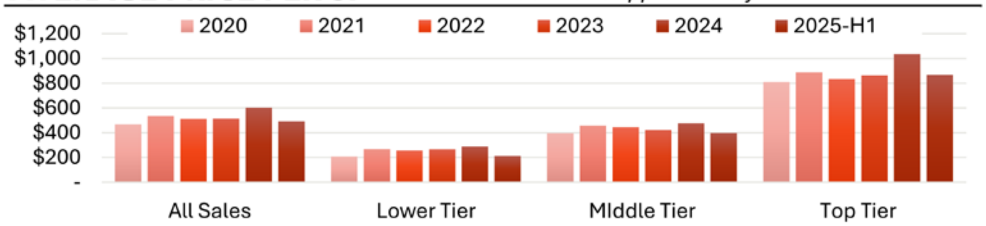


VOLUME HISTORY

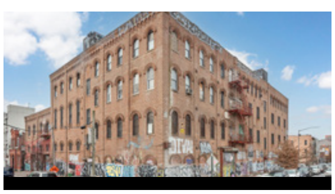


AVERAGE PRICE PER SF

Each tier is approximately 1/3 of transactions.

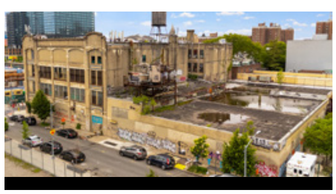


FEATURED TRANSACTIONS



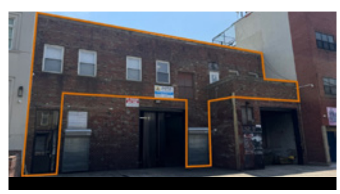
81 Beaver St | Bushwick

SALE PRICE: $15,445,000
BUILDING SF: 56,000 SF
PPSF: $276



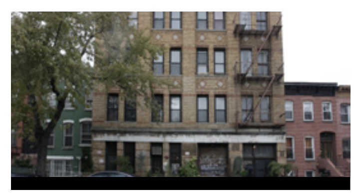
255 Butler St | Carroll Gardens

SALE PRICE: $13,000,000
BUILDING SF: 99,500 SF
PPSF: $131



1314 59th St | Borough Park

SALE PRICE: $10,990,000
BUILDING SF: 25,420 SF
PPSF: $432



122 Washington Ave | Boerum Hill

SALE PRICE: $7,700,000
BUILDING SF: 20,000 SF
PPSF: $385

VIEWPOINTS

Brooklyn's industrial market contracted in the first half of 2025, with notable declines in both volume and transaction count. The pullback reflects a more cautious investment climate, as buyers reassess pricing and future rent growth in a changing interest rate environment.

Average deal size and price per square foot both declined, with pricing reverting to early 2020s levels. While some trades continue in prime locations, overall buyer appetite has diminished, especially for assets requiring capital expenditure or leasing risk.

The sharp drop in volume indicates a widening bid-ask gap, with many owners reluctant to transact at revised valuations. Investors remain focused on stabilized, well-located warehouse space, but underwriting is more conservative.

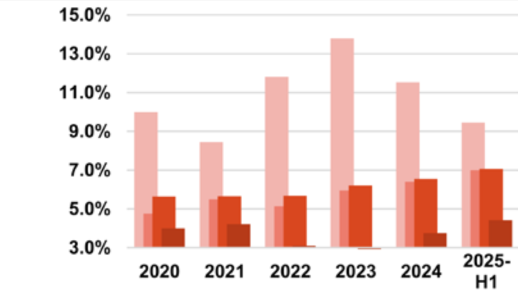
DATA POINTS

2025-H1 SUMMARY

		Δ
Total Volume	$1,026M	↑ 39%
Velocity	183 Trades	↑ 21%
Avg. Deal Price	$5.6M	↑ 14%
Avg. Price / Unit	$337K	↓ 6.5%

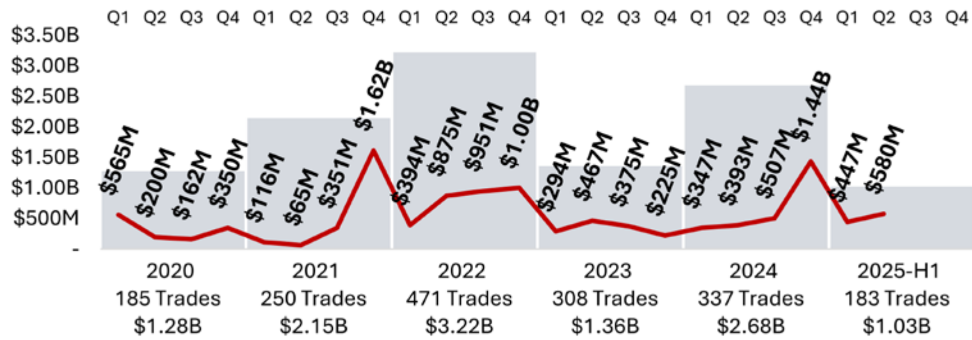
Compared to 2024 H1

CAPITALIZATION RATES



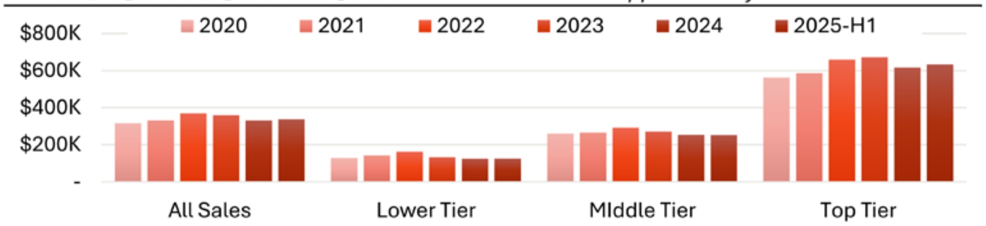
	2020	2021	2022	2023	2024	2025-H1
High	10.0%	8.4%	11.8%	13.8%	11.5%	9.5%
Median	4.8%	5.5%	5.1%	5.9%	6.4%	7.0%
Mean	5.6%	5.6%	5.7%	6.2%	6.5%	7.1%
Low	4.0%	4.2%	3.1%	1.0%	3.8%	4.4%

VOLUME HISTORY

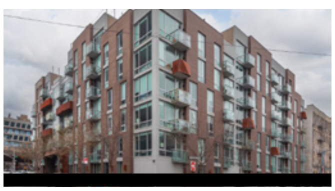


AVERAGE PRICE PER UNIT

Each tier is approximately 1/3 of transactions.

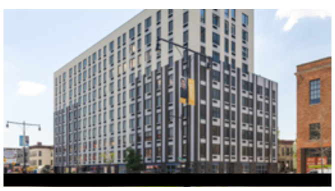


FEATURED TRANSACTIONS



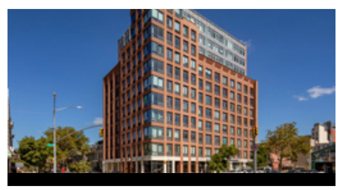
395 Leonard St | E Williamsburg

SALE PRICE: $127,500,000
UNITS: 188
PPU: $678K



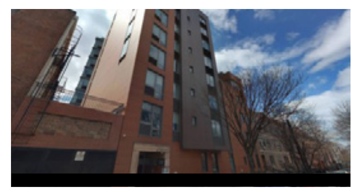
2864 Atlantic Ave | Bdwy Junction

SALE PRICE: $68,800,000
UNITS: 184
PPU: $374K



237 11th St | Carroll Gardens

SALE PRICE: $68,500,000
UNITS: 107
PPU: $640K



202 8th St | Carroll Gardens

SALE PRICE: $32,100,000
UNITS: 17
PPU: $1.8M

VIEWPOINTS

The Brooklyn multifamily market gained momentum in the first half of 2025, with a strong rise in total volume and deal count compared to the same period last year. Despite more trades and larger deal sizes, average price per unit ticked down slightly, reflecting continued pressure in some rent-stabilized segments.

Buyers remain active but focused on value, with larger transactions helping lift overall volume even as per-unit pricing softens. The increase in deal flow suggests growing comfort with current pricing levels and more alignment between buyer and seller expectations.

While regulatory headwinds and financing constraints persist, the surge in activity indicates that investors are willing to transact at adjusted valuations. The shift in capital back toward multifamily signals confidence in long-term fundamentals.

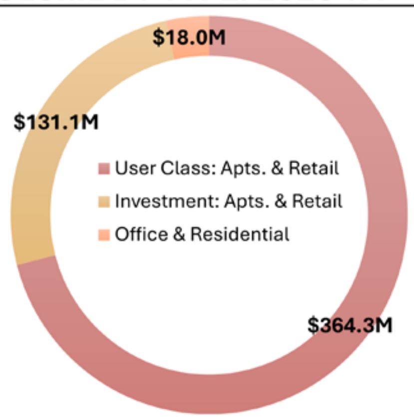
DATA POINTS

2025-H1 SUMMARY

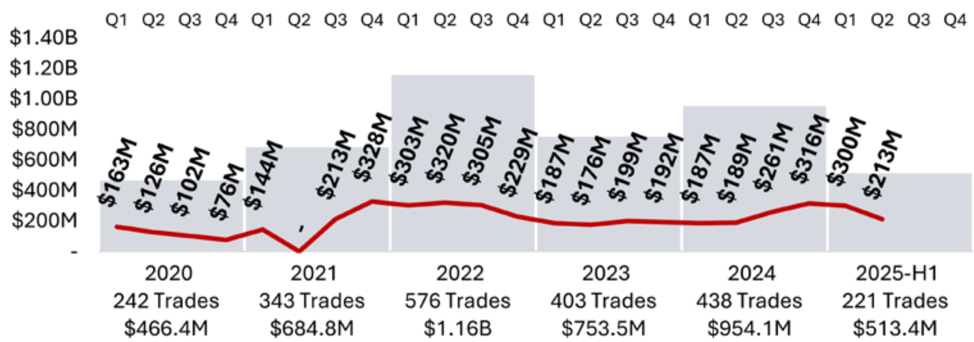
		Δ
Total Volume	$513M	↑ 36%
Velocity	221 Trades	↑ 12%
Avg. Deal Price	$2.3M	↑ 22%
Avg. Price / SF	$610	↑ 15%

Compared to 2024 H1

VOLUME BY TYPE: 2025-H1

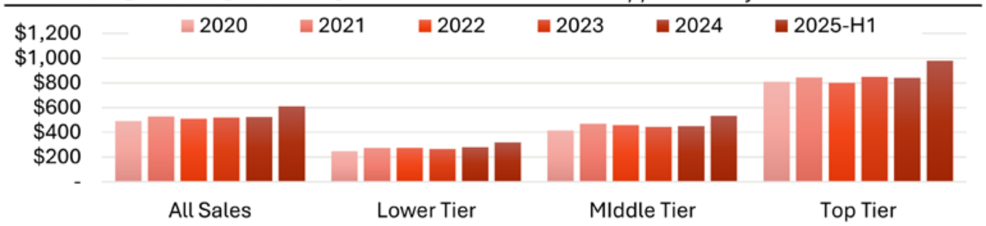


VOLUME HISTORY

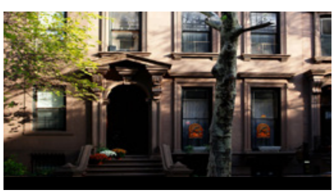


AVERAGE PRICE PER SF

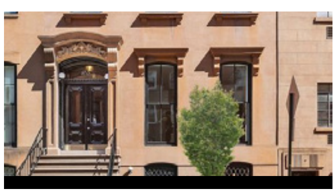
Each tier is approximately 1/3 of transactions.



FEATURED TRANSACTIONS



35 Remsen St | Boerum Hill
SALE PRICE: $18,440,000
BUILDING SF: 8,330 SF
PPSF: $2,214



25 Schermerhorn St | Boerum Hill
SALE PRICE: $11,200,000
BUILDING SF: 5,850 SF
PPSF: $1,915

1205 Myrtle Ave | Bushwick
SALE PRICE: $10,670,376
BUILDING SF: 6,840 SF
PPSF: $1,560

1203 Myrtle Ave | Bushwick
SALE PRICE: $10,670,376
BUILDING SF: 6,160 SF
PPSF: $1,732

VIEWPOINTS

Brooklyn's mixed-use market posted a strong first half in 2025, with gains across all major indicators. Sales volume and deal count both increased over the prior year's pace, supported by broad investor demand for residential-retail assets in dense, transit-rich neighborhoods.

Average pricing rose meaningfully, with price per square foot and deal size reaching multi-year highs. The data reflects growing buyer confidence and competitive bidding for stabilized buildings, particularly those with resilient rent rolls and favorable zoning overlays.

The depth of demand suggests capital is increasingly focused on hybrid assets that offer both cash flow and long-term upside.

DATA POINTS

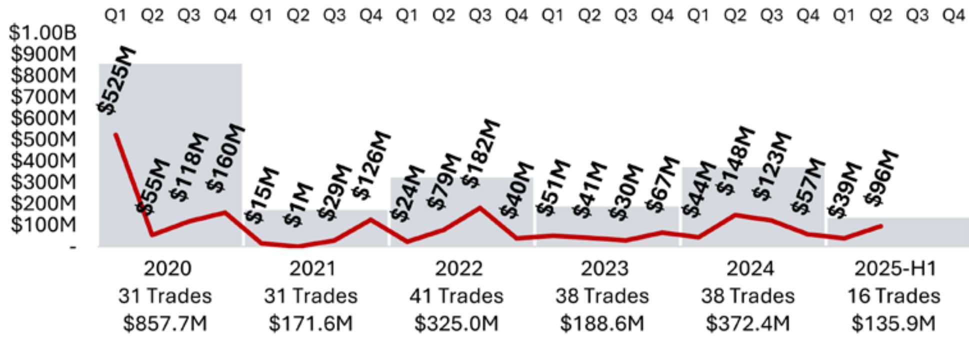
2025-H1 SUMMARY

		Δ
Total Volume	$136M	↓ 29%
Velocity	16 Trades	↑ 6.7%
Avg. Deal Price	$8.5M	↓ 34%
Avg. Price / SF	$618	↑ 34%

Compared to 2024 H1

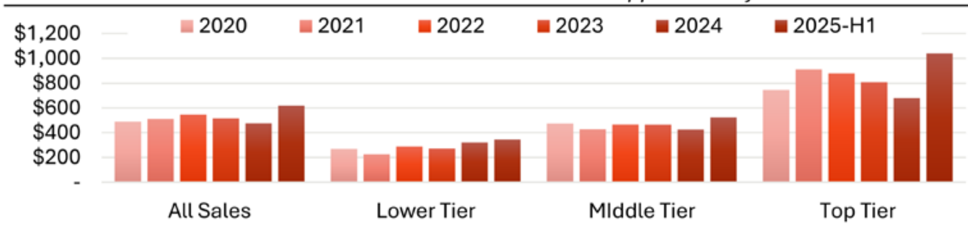
VOLUME BY TYPE: 2025-H1

VOLUME HISTORY

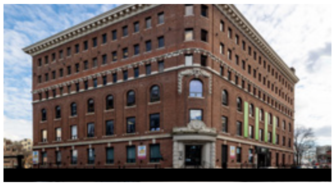


AVERAGE PRICE PER SF

Each tier is approximately 1/3 of transactions.

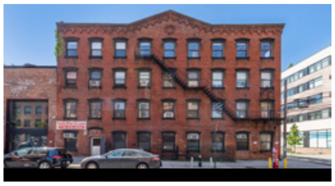


FEATURED TRANSACTIONS



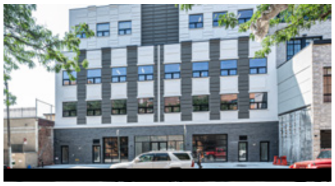
185 Marcy Ave | E Williamsburg

SALE PRICE: $28,700,000
BUILDING SF: 57,425 SF
PPSF: $500



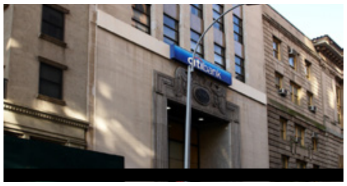
58 Kent St | E Williamsburg

SALE PRICE: $17,040,000
BUILDING SF: 32,589 SF
PPSF: $523



646 Parkside Ave | Crown Heights

SALE PRICE: $16,500,000
BUILDING SF: 31,600 SF
PPSF: $522



142 Pierrepont St | Beorum Hill

SALE PRICE: $15,955,000
BUILDING SF: 21,292 SF
PPSF: $749

VIEWPOINTS

Brooklyn's office market posted a mixed performance in the first half of 2025. Transaction volume is on pace to decline year-over-year, even as the number of trades increased slightly. Average deal size fell notably, while price per square foot jumped, which suggests a shift toward smaller assets.

The increase in pricing metrics reflects continued demand for well-located boutique office buildings and adaptive reuse opportunities. Buyers remain highly selective, focusing on assets with stable tenancy or long-term repositioning potential.

Despite reduced overall capital deployment, the uptick in per-square-foot pricing underscores investor willingness to pay a premium for targeted assets. Still, broader leasing uncertainty and capital costs remain headwinds.

BROOKLYN SALES - RETAIL | 2025 MID-YEAR

DATA POINTS

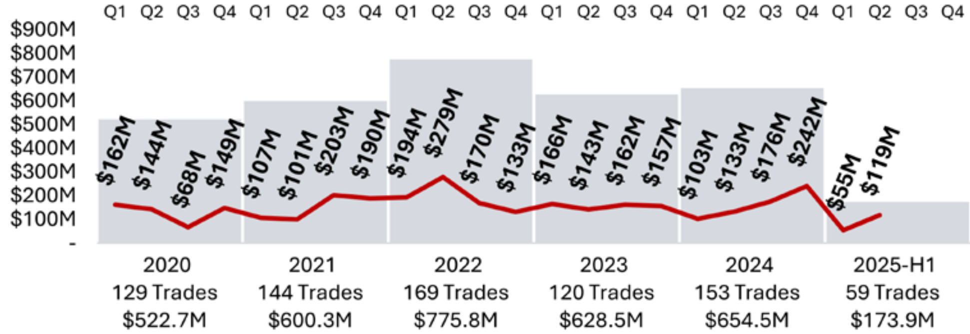
2025-H1 SUMMARY

2025-H1 SUMMARY		Δ
Total Volume	$174M	↓ 26%
Velocity	59 Trades	↓ 19%
Avg. Deal Price	$2.9M	↓ 9.0%
Avg. Price / SF	$669	↑ 4.2%

Compared to 2024 H1

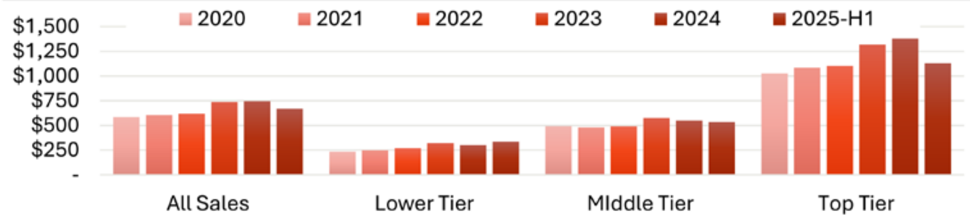
VOLUME BY TYPE: 2025-H1

VOLUME HISTORY



AVERAGE PRICE PER SF

Each tier is approximately 1/3 of transactions.



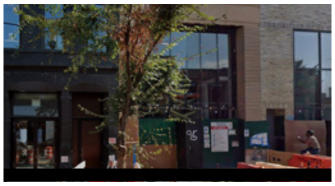
FEATURED TRANSACTIONS

60-63 N 6th St Pkg | Williamsburg

SALE PRICE: $31,577,042
BUILDING SF: 7,500 SF
PPSF: $4,210

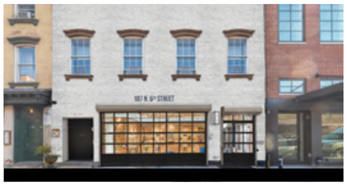
97 N 6th St | Williamsburg

SALE PRICE: $27,500,000
BUILDING SF: 5,391 SF
PPSF: $5,101



95 N 6th St | Williamsburg

SALE PRICE: $21,000,000
BUILDING SF: 4,153 SF
PPSF: $5,054



107 N 6th St | Williamsburg

SALE PRICE: $11,500,000
BUILDING SF: 3,383 SF
PPSF: $3,399

VIEWPOINTS

Brooklyn's retail investment market delivered mixed signals in the first half of 2025. While total transaction volume and deal count declined, pricing metrics moved higher, suggesting firm buyer conviction for well-located assets.

Top-end assets continued to command a premium, while smaller or more transitional deals were less active.

Despite fewer trades, buyer interest appears focused and competitive where fundamentals are strong.
The pricing gains indicate a willingness to pay up for stabilized retail, even as overall deal flow moderates.

RM FRIEDLAND

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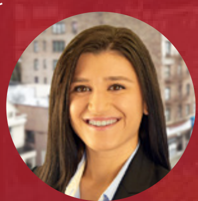

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